

DEPUTY UNDER SECRETARY OF DEFENSE FOR
LOGISTICS AND MATERIEL READINESS
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

JUL 6 2004

MEMORANDUM FOR DEPUTY CHIEF OF STAFF, **G-4**, U.S. ARMY
DEPUTY CHIEF OF NAVAL OPERATIONS (FLEET
READINESS AND LOGISTICS)
DEPUTY CHIEF OF STAFF FOR INSTALLATIONS AND
LOGISTICS, U.S. AIR FORCE
DEPUTY COMMANDANT INSTALLATIONS AND
LOGISTICS U.S. MARINE CORPS
DEPUTY COMMANDER USTRANSCOM
DIRECTOR, **DEFENSE** LOGISTICS AGENCY

SUBJECT: Unused Airline Tickets and **Improper** Payments for Airline Tickets

Reference: (a) **USD(AT&L)** memo, Unused Airline Tickets and Improper Payment for
Airline Tickets June 4, 2004.

(b) GAO audit 04-398, **DoD** Travel Cards - Control Weaknesses Led to
Millions of dollars Wasted on Unused Airline Tickets March 2004.

(c) GAO audit 04-576, **DoD** Travel Cards – Control Weaknesses Resulted in
Millions of Dollars of Improper Payments April 2004.

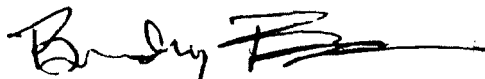
The memorandum at reference (a) requested that **DoD** Components with
responsibility for Commercial Travel Offices (CTOs) take immediate action to strengthen
management oversight of CTO operations and to strengthen internal control **programs** to
enhance the Department's effort to reduce the potential for Fraud, Waste, and Abuse as
detailed in the two GAO reports at references (b) and (c). This memo reemphasizes the
Department's resolve to aggressively implement changes in its management of the CTOs
through contractual changes, the codification of policy in the appropriate regulations, and
by reviewing and strengthening existing internal control programs that are used to
monitor CTO performance.

I specifically solicit your help in reducing the potential for internal and external
fraud in the Commercial Travel Card program that **was** highlighted by the GAO in
reference (b). Because CTOs are managed by the Components, you should develop
processes and procedures that minimize the potential for CTOs to issue airline tickets
under fraudulent circumstances. Although full deployment of the Defense Travel System
(DTS) will implement strong controls, we need to take action now to both bridge the
gap until DTS is fielded and also to be sure DTS protections are in fact adequate.



Request you review your **CTO** business practices and provide within 90 days from the date of this memo, your plan for mitigating the risk that a **CTO** could inadvertently issue an e-ticket or paper airline ticket based on fraudulently prepared travel orders. At the attachment are some potential measures that could be used as part of a **Component-**initiated plan. The list is not intended to be inclusive but is a starting point for developing and implementing procedures that reduce the potential for fraud and that reduce the potential security threat.

My point of contact is Mr. Roy Brooks. **OADUSD(TP)**, E-mail address: roy.brooks.ctr@osd.mil, tel no: 703-601-4461 ext 114.

A handwritten signature in black ink, appearing to read 'Bradley Berkson', with a long horizontal flourish extending to the right.

Bradley Berkson
Acting

Attachment:
As stated

cc:
Deputy CFO, USD(C)
Director, DFAS
Director, Washington Headquarters Service
Program Manager, Defense Travel System

Possible Mitigation Actions

1. Require the CTO to maintain a travelers' profile within their reservations systems. The traveler's profile would include the orders approving officials' and supervisors*names, **telephone/fax** numbers, and **email** addresses.
2. Require the CTO to automatically send the traveler's supervisor a confirmation **email** stating that an e-ticket or paper ticket was issued to an employee.
3. Require the CTO to positively identify the approving officials via **email** or telephone call prior to issuing an e-ticket or paper ticket.
4. Require the CTO to randomly **sample** travel orders to verify authenticity of the signatures on the travel order by comparing to signature cards or other references.
5. For those military personnel (**i.e.** remotely located reservists) without access to a .mil or .gov **email** address, require the CTO to only accept signed travel orders from a traveler's supervisor or order approving official that has a .mil or .gov **email** address.
6. For those military personnel who must fax orders, require the CTO to positively identify the validity of the order with the traveler's order approving authority through e-mail or telephonic contact.
7. Assure that proper delegations of authority are published and maintained current.

Attachment